

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3112 - SB 3103

March 1, 2010

SUMMARY OF BILL: Prohibits payday lenders located within or outside the state from offering or providing any loans or funds by means of the Internet or other on-line service to borrowers in Tennessee.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$2,400/One-Time
\$191,400/Recurring**

Assumptions:

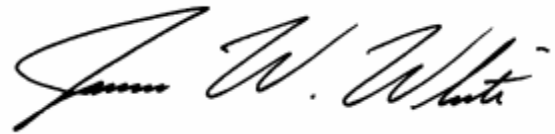
- The bill broadens the definition of “payday lender” to encompass payday lenders located out of state, which are not currently regulated by the Department of Financial Institutions.
- The definition of “payday lender” applies only to those entities engaged in payday lending (deferred presentment services providers).
- According to the Department of Financial Institutions, two additional loan examiners and one additional attorney would be required to handle the increased regulatory responsibility of these entities.
- Recurring expenditures associated with two loan examiners are estimated to be \$130,208 (\$78,840 salary, \$27,667 benefits, \$20,090 travel, and \$3,611 related costs). One-time expenditures are estimated to be \$1,405 for equipment.
- Recurring expenditures associated with one attorney are estimated to be \$61,189 (\$43,692 salary, \$14,797 benefits, and \$2,700 related costs). One-time expenditures are estimated to be \$1,005 for equipment.

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- Total recurring expenditures are \$191,397 (\$130,208 + \$61,189) and one-time expenditures are \$2,410 (\$1,405 + \$1,005).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director

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